



UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
WASHINGTON, D.C. 20555-0001

March 31, 1999

The Honorable Pete V. Domenici, Chairman  
Subcommittee on Energy and Water Development  
Committee on Appropriations  
United States Senate  
Washington, D.C. 20510

Dear Mr. Chairman:

I am writing to inform you about the status of the Nuclear Regulatory Commission (NRC) participation in pilot projects that explore external regulation of nuclear safety at Department of Energy (DOE) nuclear facilities. As you are aware, in June 1997, the NRC and the DOE agreed to establish a pilot program to examine NRC regulation of a set of DOE nuclear facilities through simulated regulation. Consistent with previous recommendations, the scope of the Pilot Program focused primarily on Energy Research and Nuclear Energy facilities and excluded Defense Programs facilities. The decision to exclude DOE Defense Programs facilities from the pilot program, and from any potential early phase of external regulation, was deliberate and consistent with the recommendations of the DOE Working Group on External Regulation, which strongly endorsed NRC regulation and participation in the pilot program. As such, it also is consistent with a provision of the Conference Report for the FY1999 Energy and Water Development Appropriations Act. To date, pilot projects have been completed at the Lawrence Berkeley National Laboratory, the Radiochemical Engineering Development Center of the Oak Ridge National Laboratory, and the Receiving Basin for Offsite Fuels of the Savannah River Site. These three pilot projects have given us an opportunity to understand better the ramifications and issues associated with external regulation of these facilities, and to work closely and collegially with the DOE, DOE contractors, the Occupational Safety and Health Administration, and involved States.

Energy Secretary Richardson recently indicated in a February 19, 1999 letter to Congress the DOE view that the pilots raised a number of significant issues and showed that many of the potential benefits expected to be seen from external regulation were not demonstrated. In addition, Secretary Richardson indicated that the DOE has no plans at this time to initiate more pilots until these issues have been resolved.

The Pilot Program was designed to include from 6 to 10 facilities to ensure a sufficiently broad set of nuclear facilities in different situations to identify the range of issues that could be expected if the NRC were authorized by Congress to regulate DOE nuclear facilities. The NRC staff recently provided the Commission with an Interim Report on the Pilot Program to date. In contrast to the DOE position, the NRC staff's Interim Report highlights the potential for the NRC to provide common sense and consistent oversight of DOE facilities and to add value from a public health and safety perspective, without imposing unnecessary burden and costs.

Although the Commission recognizes the position of Secretary Richardson on this topic, the Commission will review the Interim Report, work with the Department to determine options for completing the reports on the pilot programs, and reach an independent decision regarding the objectives of the Pilot Program, including the potential value added by NRC oversight of DOE non-defense nuclear facilities. The Commission plans to share the results of this effort with Congress later this spring.

If you have any comments or questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in cursive script, appearing to read "Shirley Ann Jackson".

Shirley Ann Jackson

cc: Senator Harry Reid